

**City of Kearney  
Community Redevelopment Authority  
Cost-Benefit Analysis  
KAAPA Ethanol Holdings, LLC  
Redevelopment Area No. 9  
(Required by State Statute 18-2113(2))**

**(A) Tax shifts resulting from the approval of the use of funds pursuant to section 18-2147.**

Additional, or incremental, ad valorem real property taxes (“taxes”) generated from new real property value created from this Redevelopment Project (“Project”) is estimated at \$64,185 per year assuming no annual increase in valuation. This would produce approximately \$962,773 of taxes over a fifteen year period. Ninety percent of the additional taxes, not to exceed the eligible estimated project costs of \$1,382,817, will be rebated to the Redeveloper for eligible Project costs. The remaining ten percent of the additional taxes will be returned to the Buffalo County Treasurer for further distribution to affected taxing jurisdictions. An estimated ninety percent rebate to the Redeveloper and the City will be \$57,766 per year assuming no annual increase in valuation. This will produce a total rebate of approximately \$866,495. These taxes will be intercepted for fifteen years from their normal distribution to the affected taxing jurisdictions which includes Kearney School District #7 (\$581,632), Buffalo County (\$143,348), City of Kearney (\$66,027), Central Community College (\$45,330), Central Platte NRD (\$15,569), ESU #10 (\$5,949), Ag Society (\$5,880), and the City of Kearney Community Redevelopment Authority (\$2,760). Attachment A provides details of the estimated tax shift.

The estimated public investment of \$866,495 in TIF funds will leverage approximately \$6,306,848 in private sector financing, resulting in a private investment of more than \$7.27 for every City TIF dollar spent.

**(B) Public infrastructure and community public service needs impacts and local tax impacts arising from the approval of the redevelopment project.**

It is not anticipated that the Project will have an adverse impact on existing public infrastructure. The Project entails the capture of the incremental tax revenues for eligible public purposes including, but not limited to, site grading, sidewalks at ROW, paving, new retaining wall, water main, storm sewer, utility services to building, over-excavation as determined in geotechnical report, site paving, building demolition, well removal, septic system removal, finish grading, plantings, irrigation, unit pavers or colored concrete at entrance, pedestrian and parking lot lighting, electrical (relocated overhead power), telecommunication service, power to building, engineering and design fees, geotechnical fees, survey, and legal fees totaling \$1,382,817.

It is not anticipated that the Project will have any adverse impact on City services, but will generate additional revenue providing support for those services.

**(C) Impacts on employers and employees of firms locating or expanding within the boundaries of the area of the redevelopment project.**

The Project will be built to accommodate future expansion of the administrative needs of KAAPA Ethanol Holdings, LLC, including space for near term growth and increased employment opportunities. It will create a desirable environment for enhancement of employee job satisfaction and will assist the company with employee recruitment to the area. It is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding within the boundaries of the area of the Project.

**(D) Impacts on other employers and employees within the city and the immediate area that are located outside of the boundaries of the area of the redevelopment project.**

It is unlikely that any negative impacts will accrue to other employers and employees outside of the project area. Rather, it is expected that the redevelopment project will spur other commercial and residential development in the surrounding portion of Redevelopment Area 9. It is not anticipated that the Project will have an adverse impact on employers and employees of firms locating or expanding outside the boundaries of the area of the Project.

**(E) Any other impacts determined by the authority to be relevant to the consideration of costs and benefits arising from the redevelopment project.**

The Project will increase business and tax base without an adverse effect on either public or private entities. There will be a material tax shift because of the use of tax increment financing, but there will also be personal property tax and other municipal revenue generated for the immediate benefit of the community. The Project will facilitate the development of blighted and substandard areas in the City, without the incurrence of significant public cost. The Project will also encourage additional private development in and around the Redevelopment Area.

The Project will create tax and other public revenue for the City and other local taxing jurisdictions. While the use of tax increment financing will defer receipt of a majority of new ad valorem real property taxes generated by the Project, this income would not have occurred without the use of TIF. The Project will create new businesses within the Redevelopment Area.

In addition to new personal property tax revenues, The Project will also contribute to municipal revenues through utility fees, licenses, sales taxes, and other taxes that occur and are paid by consumers in the Redevelopment Area.

**City of Kearney  
Community Redevelopment Authority  
Annual Estimated Assessed Valuation and Real Estate Tax Capture  
KAAPA Ethanol Holdings, LLC  
Redevelopment Area No. 9  
Parcel 603741115**

Assessed value/taxes - base value year (actual)											
Year	Assessed Value (Base)	Base Value	Kearney Public School	Buffalo County	City of Kearney	Central Community College	Central Platte NRD	ESU 10	Ag Society	CRA	Base Value Taxes
			1.210000	0.298214	0.13736	0.094302	0.03239	0.012375	0.012233	0.005742	1.802616
1	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
2	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
3	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
4	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
5	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
6	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
7	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
8	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
9	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
10	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
11	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
12	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
13	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
14	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
15	779,575	779,575	9,433	2,325	1,071	735	253	96	95	45	14,053
<b>Total property taxes - base value year</b>			141,493	34,872	16,062	11,027	3,788	1,447	1,430	671	210,791

Assessed value/taxes - base value year plus increment (estimated)											
Year	Assessed Value (with increment)	Increment Value	Kearney Public School	Buffalo County	City of Kearney	Central Community College	Central Platte NRD	ESU 10	Ag Society	CRA	Increment Value Taxes
TIF percent abated		100%	1.210000	0.298214	0.13736	0.094302	0.03239	0.012375	0.012233	0.005742	1.802616
Annual valuation increase		0.00%									
1	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
2	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
3	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
4	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
5	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
6	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
7	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
8	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
9	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
10	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
11	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
12	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
13	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
14	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
15	4,340,225	3,560,650	43,084	10,618	4,891	3,358	1,153	441	436	204	64,185
<b>Total property taxes - base &amp; improvements</b>			646,258	159,275	73,364	50,366	17,299	6,609	6,534	3,067	962,773

Assessed value/taxes - base value year plus increment (estimated)											
Year	Assessed Value (with increment)	Increment Value	Kearney Public School	Buffalo County	City of Kearney	Central Community College	Central Platte NRD	ESU 10	Ag Society	CRA	Increment Value Taxes
TIF percent abated		90%	1.21	0.298214	0.13736	0.094302	0.03239	0.012375	0.012233	0.005742	1.802616
Annual valuation increase		0.00%									
1	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
2	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
3	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
4	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
5	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
6	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
7	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
8	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
9	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
10	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
11	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
12	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
13	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
14	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
15	4,340,225	3,204,585	38,775	9,557	4,402	3,022	1,038	397	392	184	57,766
<b>Total property taxes - base &amp; improvements</b>			581,632	143,348	66,027	45,330	15,569	5,949	5,880	2,760	866,495